

**193A—5.8(272C,542) Inactive status.**

**5.8(1) *General purpose.*** This rule establishes a procedure under which a person issued a certificate as a certified public accountant or a license as a licensed public accountant may apply to the board to register in inactive status. Registration under this rule is available to a certificate or license holder residing within or outside the state of Iowa who is not engaged in Iowa in any practice for which a certificate or license is required. A person eligible to register as inactive may, as an alternative to such registration, allow the person's certificate or license to lapse. The board will continue to maintain a data base on persons registered as inactive, including information which is not routinely maintained after a certificate or license has lapsed through failure to renew. A person who registers as inactive will accordingly receive renewal applications, board newsletters and other mass communications from the board.

**5.8(2) *Eligibility.*** A person holding a lapsed or active certificate or license which has not been revoked or suspended may apply on forms provided by the board to register as inactive if the person is not engaged in the state of Iowa in any practices for which a certificate or license is required, including:

*a.* Supervising or performing any attest services, such as audits, reviews or agreed-upon procedures (which may only be performed by a CPA within a CPA firm which holds a permit to practice);

*b.* Supervising or performing compilation services or otherwise issuing compilation reports (which may only be performed by a CPA or LPA); and

*c.* Performing any accounting, tax, consulting, or financial or managerial advisory services for any client, business, employer, government body, or other entity while holding oneself out as a CPA or LPA, or otherwise using titles restricted in Iowa Code section 542.13.

**5.8(3) *Affirmation.*** The application form shall contain a statement in which the applicant affirms that the applicant will not engage in any of the practices listed in subrule 5.8(2) in Iowa without first complying with all rules governing reinstatement to active status. A person in inactive status may reinstate to active status at any time pursuant to subrule 5.8(7).

**5.8(4) *Renewal.*** A person registered as inactive may renew the person's certificate or license on the biennial schedule described in 193A—5.1(542). Such person is exempt from the continuing education requirements and will be charged a reduced renewal fee as provided in 193A—12.1(542). An inactive certificate or license shall lapse if not timely renewed.

**5.8(5) *Permitted practices.*** A person may, while registered as inactive, perform for a client, business, employer, government body, or other entity those accounting, tax, consulting, or financial or managerial advisory services which may lawfully be performed by a person to whom a certificate or license has never been issued as long as the person does not in connection with such services use the title "CPA" or "LPA," or any other title restricted for use only by CPAs or LPAs in Iowa Code section 542.13 (with or without additional designations such as "inactive"). Restricted titles may only be used by active CPAs or LPAs who are subject to continuing education requirements to ensure that the use of such titles is consistently associated with the maintenance of competency through continuing education.

**5.8(6) *Prohibited practices.*** A person who, while registered as inactive, engages in any of the practices described in subrule 5.8(2) or violates any provision of rule 193A—14.2(542) is subject to disciplinary action. A person in inactive status is not authorized to verify the experience of an applicant for a CPA certificate under Iowa Code section 542.5(12) or an applicant for an LPA license under Iowa Code section 542.8(8).

**5.8(7) *Reinstatement to active status.*** A person registered as inactive shall, prior to engaging in any of the practices listed in subrule 5.8(2) in Iowa, satisfy the conditions for reinstatement described in 193A—5.2(542). Such person shall be given credit for renewal fees previously paid if the person applies for reinstatement at other than the person's regular renewal date. A person who has engaged in the practice of public accounting in another jurisdiction while registered as inactive in Iowa will be deemed to have satisfied the continuing education required for reinstatement if the person demonstrates that the person has satisfied substantially equivalent continuing education in the other jurisdiction.

**5.8(8) *Retired status.*** A person registered as an inactive holder of a certificate as a certified public accountant or license as a licensed public accountant who does not reasonably expect to return to the workforce in any capacity for which a certificate or license is required due to bona fide

retirement or disability may use the title “CPA, retired” or “LPA, retired,” respectively, in the context of non-income-producing personal activities.